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## Letters to the Editor

### **LEGISLATURE MUST APPROVE TAX-RELIEF MEASURE NOW**

The Legislature now has less than a week to pass meaningful tax relief for the vast majority of taxpayers.

One proposal is to cut taxes by expanding the tax brackets. This tax cut would help 80 percent (roughly 472,000) of all Hawai'i tax filers.

Another proposal is to increase the standard deduction. This would help the lowest-end taxpayers and a substantial portion of middle-income taxpayers. In fact, increasing the standard deduction to 75 percent of the federal level would benefit 64 percent (roughly 375,000) of all Hawai'i tax filers. Gov. Lingle has proposed this initiative for four years. With the state surplus, now is the time to pass this important piece of legislation. It has been supported by the Tax Review Commission and is long overdue.

A third proposal is to create a Hawai'i earned income tax credit. The EITC purpose is certainly noble in that it attempts to primarily help the low-income working taxpayers with children. It benefits, however, only a narrow slice of Hawai'i's population, roughly 12 percent (72,000) of all Hawai'i tax filers.

For example, the EITC fails to provide any tax cut to the elderly living on retirement and investment income, the handicapped or unemployed without earned income, or a married couple with more than \$13,750 of earned income and no children they can claim. The EITC also fails to help a married couple with over \$37,263 of income, no matter how many children they have (a couple each making \$10 per hour earns about \$40,000 per year).

The administration has recommended two final tax-relief proposals. One provides a one-time \$150-per-person refund. Another creates a \$100-per-person refund for the taxes paid on food, medical services and nonprescription drugs. It is unconscionable to tax our residents for food and medicine.

With a \$600 million surplus and tax revenues growing in the double digits, we respectfully urge the Legislature to return at least \$120 million in tax relief to the struggling families of Hawai'i. This is the right thing to do at the right time. Please contact your legislator today and make your voices heard.

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